MAINFREIGHT LIMITED
FY22 HALF YEAR RESULT
TO 30 SEPTEMBER 2021

Result Summary

REVENUE

Revenue up 41.4% to $2.27 billion

PBT

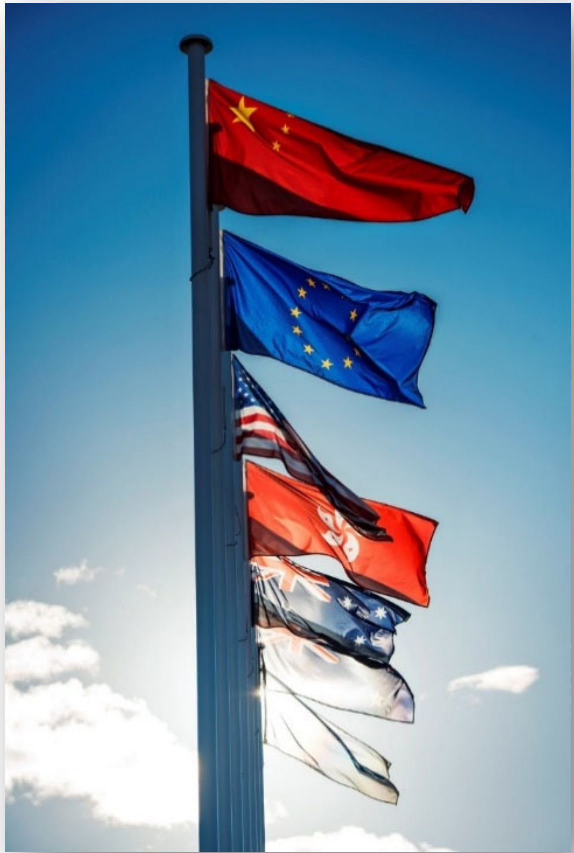
Profit before tax up 78% at $181.99 million
Offshore Profit before tax now $133.92 million – 74% (last year was 66%)

NET PROFIT

Up 79% to $130.81 million

Overview of Half Year

- All five regions contributing to Revenue and Profit increases
- Air & Ocean revenues continue to be inflated by increasing air and sea freight rates. This is expected to continue for some time
- Service levels and space availability a core focus on behalf of our customers



Dividend

DIVIDEND

Directors have approved an interim dividend of 55 cents per share

Increase of 83.3% over the prior year's interim dividend

Books close 10 December 2021; payment on 17 December 2021

Capital Management / Net Debt

NZ$ MILLION	THIS YEAR	LAST YEAR
Operating cash flow	$178.4	$188.5

- Increased shipping delays are requiring more working capital

NET DEBT

Gearing ratio 8.8% compared to 8.4% at 31 March 2021

Net debt at $115.7 million, up from $102.2 million at 31 March 2021

Capital Expenditure

HY22 SEPT 2021	**$92 million**
F22	**$208 million** including $162 million land & buildings (including racking & fit out) primarily across New Zealand and Australia
F23	**$290 million** including $246 million for expected property capital investment

Property Initiatives: Land / Building / Leases

NZ$ Million	F22
Planned Capital Expenditure	$207.8

NZ$ Million	F23
Planned Capital Expenditure	$290.3

- Strong focus ensuring effective capital expenditure
- Transport facilities vs leased warehouses

Property Projects for 2022 and 2023		
New Zealand	Land	4
	Buildings	14
	Leases	11
Australia	Land	2
	Buildings	4
	Leases	5
Americas	Leases	8
Europe	Buildings	1
	Leases	6
Asia	Leases	2
		57

Half Year Analysis: Revenue

$000		THIS YEAR	LAST YEAR	VARIANCE	
New Zealand	NZ$	498,447	378,895	31.6%	↑
Australia	AU$	525,040	403,210	30.2%	↑
Americas	US$	441,398	248,016	78.0%	↑
Asia	US$	110,353	42,942	157.0%	↑
Europe	EU€	260,432	193,779	34.4%	↑
Total Group	**NZ$**	**$2,274,386**	**$1,608,861**	**41.4%**	**↑**
				(excl FX) 48.2%	**↑**

Half Year Analysis: Profit Before Tax

$000		THIS YEAR	LAST YEAR	VARIANCE	
New Zealand	NZ$	48,071	37,500	28.2%	↑
Australia	AU$	44,518	30,559	45.7%	↑
Americas	US$	34,827	8,500	309.7%	↑
Asia	US$	11,500	3,976	189.2%	↑
Europe	EU€	12,568	7,069	77.8%	↑
Total Group	**NZ$**	**$181,986**	**$102,265**	**78.0%**	↑
				(excl FX) 86.2%	↑

Product Performance

NZ$000		THIS YEAR	LAST YEAR	VARIANCE		VAR ex FX	
Group	Revenue	2,274,386	1,608,861	41.4%	↑	48.2%	↑
	PBT	181,986	102,265	78.0%	↑	86.2%	↑
Transport	Revenue	894,315	746,578	19.8%	↑	23.6%	↑
	PBT	72,913	57,446	26.9%	↑	29.3%	↑
Warehousing	Revenue	264,615	214,503	23.4%	↑	28.7%	↑
	PBT	22,188	16,124	37.6%	↑	42.6%	↑
Air & Ocean	Revenue	1,115,456	647,780	72.2%	↑	83.0%	↑
	PBT	86,885	28,695	202.8%	↑	224.5%	↑

Region Performance: New Zealand

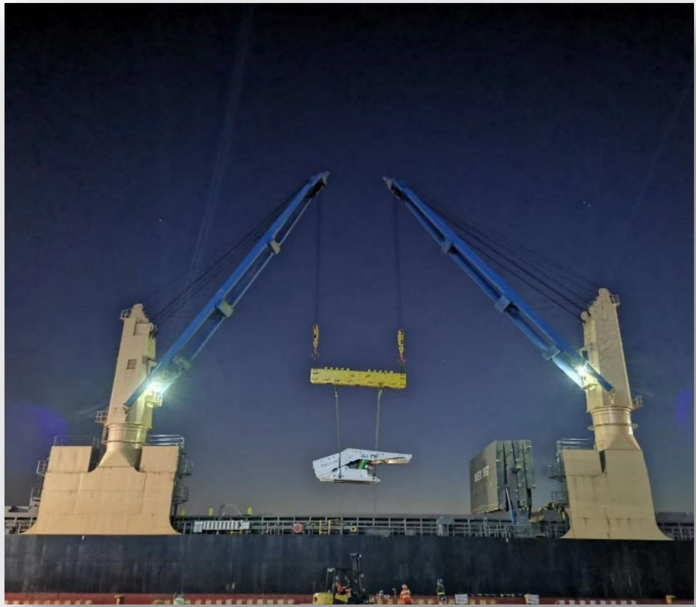
Revenue: NZ$498.45m Up 32%
PBT: NZ$48.07m Up 28%

- **Transport** volumes impacted during Alert Level 4. Alert level reductions saw volumes increase dramatically
- **Warehousing** space at a premium, higher inventory levels amid new customer gains
- **Air & Ocean** continues to win market share with innovative solutions to capture air and sea capacity
- Rail and ferry issues slowing inter-island freight movements
- Post-September trading remains strong and consistent and is expected to continue after Christmas in line with consumer demand

Australia

Revenue: AU$525.04m Up 30%
PBT: AU$44.52m Up 46%

- Trading remains strong irrespective of lockdown levels in the various States
- **Transport** volumes and growth continue as market share gains accumulate and network growth provides more regional opportunities. Service levels under pressure
- **Warehousing** results are satisfactory, slowed a little by the need for temporary sites as new facilities across Victoria, NSW and Queensland are constructed
- **Air & Ocean** development continues with a number of large projects adding to our growth profile. New perishable/airfreight facilities in Brisbane under construction
- Post-September trading continues to exceed our expectations, with pre-Christmas volumes likely to be at record levels



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Europe

Revenue: EU€260.43m Up 34%
PBT: EU€12.57m Up 78%

- Slower holiday and post-holiday freight volumes (particularly in **Transport**) combined with higher overhead costs, dampened first-half results. Brexit delays remain an issue
- Additional road line-haul development into and from Germany impacted **Transport** margins, with improvements progressing post-September
- Increased utilisation has seen improvement in **Warehousing** profitability albeit not yet meeting our expectations. Inventory levels are increased
- **Air & Ocean** growth continues, with expectations of further network development
- Trading post-September is improving

The Americas

Revenue: US$441.40m Up 78%
PBT: US$34.83m Up 310%

- Strong **Air & Ocean** performance with air and seafreight growth via demand and market share gains, and strong LCL volumes. Space availability is limiting further opportunities
- **Warehousing** activities increasing. Three new warehouses in Texas, Pennsylvania and Toronto. Slow fit out (racking) creating inefficiencies
- **Transport** LTL volumes improving, providing better utilisation on set line-haul network
- Trading continues post-September at current levels across our three divisions

The Americas

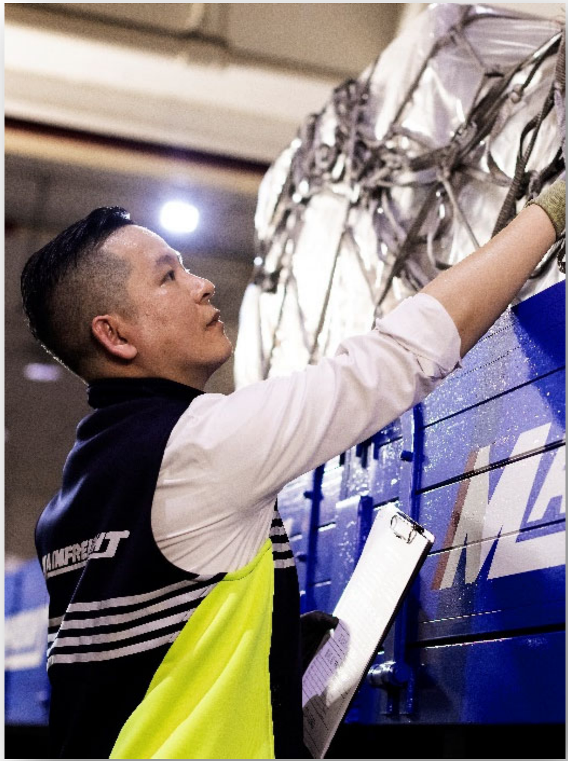
CaroTrans

- Strong volumes across all trade lanes and consistent with international shipping demands
- LCL volumes high as a consequence of high FCL rate levels and capacity shortages – customers revert to smaller consignments more often
- As with our retail sea freight business, CaroTrans is expected to continue at these trading levels well into 2022

Asia

Revenue: US$110.35m Up 157%
PBT: US$11.50m Up 189%

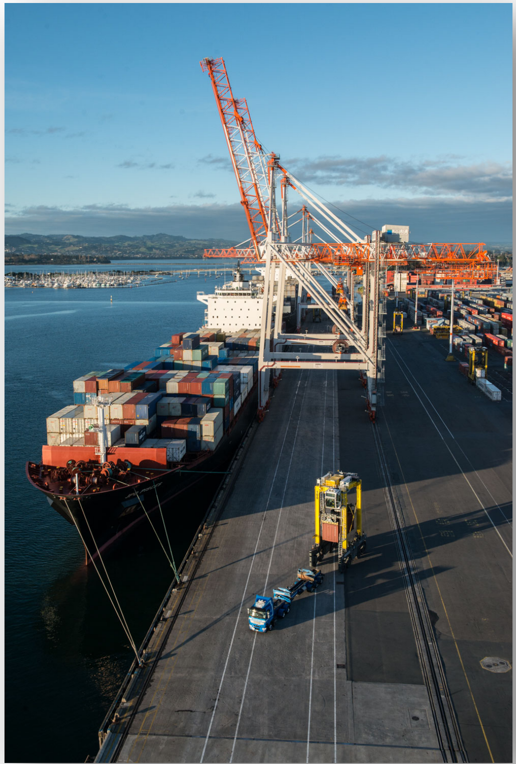
- Strong Trans-Pacific Eastbound volume demand has assisted this result. Air freight volumes continue to develop
- Southeast Asia growth and profitability is pleasing, particularly from Thailand
- Forward bookings remain strong through to Chinese New Year albeit space availability is restricting some opportunities



Product Performance: Air & Ocean

Revenue:	**NZ$1,115m**	**Up 72%**	**(ex FX 83%)**
PBT:	**NZ$86.89m**	**Up 203%**	**(ex FX 225%)**

- Demand continues at unprecedented levels
- Space unavailability inhibiting opportunities for further growth
- Port congestion and equipment shortages remain
- Rates for sea and air elevated – contract rates being re-negotiated, at times close to spot rate levels
- Expect rate levels and space issues to continue well into 2022, if not beyond
- Finding “solutions” for our customers a key priority with some success already
- Volumes have increased by 30%. Some opportunities have been lost due to shortage of capacity



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Warehousing

Revenue:	**NZ$264.62m**	**Up 23%**	**(ex FX 29%)**
PBT:	**NZ$22.19m**	**Up 38%**	**(ex FX 43%)**

- Customers are holding more inventory in more locations
- Just In Case vs Just In Time
- Demand increasing with new customer gains assisting
- Increased capacity of 250,000m^2 over the next two years, taking total capacity to 1,186,153m^2
- Automation in Melbourne and Dallas is reasonably successful and will be implemented across additional sites

Transport

Revenue:	**NZ$894.32m**	**Up 20%**	**(ex FX 24%)**
PBT:	**NZ$72.91m**	**Up 27%**	**(ex FX 29%)**

- New Zealand and Australia Transport volumes increased significantly, particularly post-September
- Domestic volume across all regions up 15% to the half year
- Shortage of rail and ferry capacity hampering distribution and meeting customers' transit expectations in New Zealand
- Owner-Driver and Driver shortages are becoming an issue, supplemented with leased/owned equipment – particularly in USA and Europe
- Fuel costs are increasing and being passed through to customers across all regions
- Rate reviews expected to occur across all regions during Q1 of the 2022 calendar year

Group Outlook

- Strong half year position, followed by further improving results post-September
- Expectation of increased volumes and growth through to year-end and beyond
  - Consumer demand
  - Market share opportunities
  - Product mix – food, beverages, DIY, etc
- Continued network intensification and investment in facilities
- Expectation of increased team bonuses with accrual made to half year of NZ$30m, compared to NZ$15m for the prior period

Financial Calendar F22/23

	DATE
Trading Update (timing tbc)	February 2022
F22 – 12 months ended 31 March 2022	26 May 2022
Annual Meeting of Shareholders	28 July 2022
F23 – 6 months ended 30 September 2022	10 November 2022

We're ready to face whatever
comes over the horizon!